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MARLIN RISINGER, JR. (RETIRED)

November 1, 2001

Honorable Philip N. Asprodites
Commissioner of Conservation
State of Louisiana
Post Office Box 94275
Baton Rouge, Louisiana 70804-9275

RE: HEARING APPLICATION
Hosston Zone, Reservoir B
Red River - Bull Bayou Field
DeSoto and Red River Parishes, Louisiana
Our File No. 330067.0030

Dear Sir:

On behalf of HILLIARD PETROLEUM, INC., application is hereby made for a public hearing to receive evidence concerning the issuance of an order pertaining to the following matters relating to the Hosston Zone, Reservoir B, in the Red River - Bull Bayou Field, Desoto and Red River Parishes, Louisiana:

1. To establish rules and regulations and to create four (4) drilling and production units for the Hosston Zone, Reservoir B, in the Red River - Bull Bayou Field, DeSoto and Red River Parishes, Louisiana; a plat showing the proposed units (to be designated as HOSS RB SUA thru HOSS RB SUD) is annexed hereto and made a part hereof.
2. To force pool and unitize all separately owned tracts, mineral leases, and other property interests within said units, with allocation of production from the unit well to the tracts within each such unit to be on the basis of surface acreage.

3. To designate Hilliard Petroleum, Inc. as the unit operator and the Hilliard Petroleum, Inc. - Fortson No. 1 Well as the unit well for the proposed HOSS RB SUA, at the location shown on the plat attached hereto.
4. To provide that any future wells drilled to the Hosston Zone, Reservoir B, in the Red River - Bull Bayou Field, within or outside the units created herein shall be located no closer than 660 feet to any unit boundary and no closer than 1320 feet to any other well drilled to, completed in, or permitted for the Hosston Zone, Reservoir B.
5. To consider such other matters as may be pertinent.

The Hosston Zone, Reservoir B, in the Red River - Bull Bayou Field, DeSoto and Red River Parishes, Louisiana, as used herein, is hereby defined as that gas and condensate bearing interval encountered between the depths of 6,198 feet and 7,950 feet (electrical log measurements) in the Hilliard Petroleum Inc.- Fortson No. 1 Well, located in Section 3, Township 12 North, Range 11 West, DeSoto Parish, Louisiana.

Pertinent data concerning the intended application will be made available for inspection at the offices of the undersigned. Any person wishing to inspect such data should call the undersigned at (318) 221-6858 during normal business hours or write the undersigned at the above address, in order to arrange a date and time for such inspection. A copy of any such pertinent data can be obtained at the expense of the requesting party.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Rules of Procedure) is attached and a copy of this application, with the annexed plat, is being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons required by the Rules of Procedure. The Applicant will also arrange for mailing, posting and publication of the legal notice of this hearing in accordance with the Rules of Procedure.

By Pre-Application Notice dated September 27, 2001, applicant advised the Commissioner of Conservation, the District Manager and all Interested Owners, Represented Parties and Interested Parties of applicant's intention to apply for the hearing which is the subject of this application. Applicant received a request for a conference, and accordingly, a Pre-Application Conference was held on October 18, 2001 at 1:30 p.m. in the Offices of Blanchard, Walker, O'Quin & Roberts. In addition to the Applicant's representatives, said conference was attended by the parties shown on the attached list. Following a presentation by Applicant's representatives as to the geological and engineering bases for its proposal, a general discussion ensued. No counterplan was filed; However, Gene Huggs in behalf of Huggs Inc. stated that he might file a counterplan requesting 160 acre units.

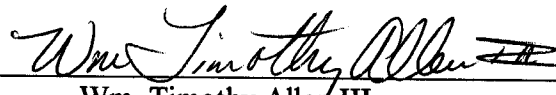
A check in the amount of \$700.00 payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

Commissioner of Conservation
November 1, 2001
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This application is being filed in duplicate, and a copy hereof is being sent to Mr. James C. Broussard, Shreveport District Manager of the Office of Conservation and to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list.

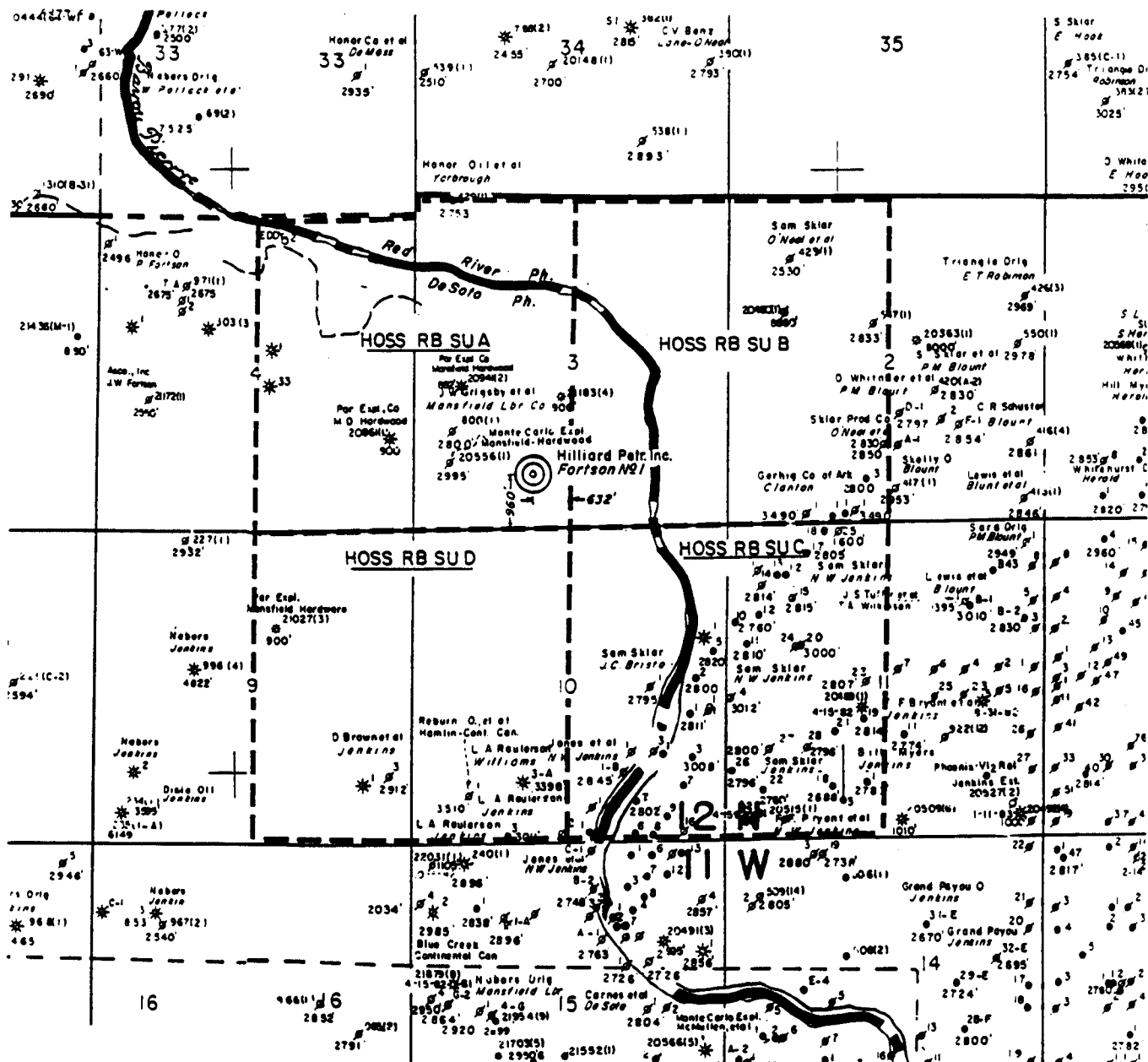
Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

By: 
Wm. Timothy Allen III
Attorneys for Hilliard Petroleum, Inc.

WTAIII/bp
Enclosures

- cc: Mr. James C. Broussard, District Manager
Office of Conservation, Shreveport, La. (w/enclosures)
- cc: Interested Owners, Represented Parties
and Interested Parties (w/copy of plat only)



--- PROPOSED HOSS RB SU (640±ACRES)

⊙ PROPOSED UNIT WELL

DOCKET NO

EXHIBIT NO

HILLIARD PETROLEUM, INC.
 PROPOSED HOSS RB SAND UNITS
 RED RIVER-BULL BAYOU FIELD
 DE SOTO & RED RIVER PARISHES, LA.

0' 2000' 4000' 1 MI.